

What is claimed is:

1. A method for assisting a bank in meeting all or a portion of the bank's investment test requirement under the Community Reinvestment Act (CRA) on a tax-advantaged basis, comprising:

5 providing new or existing cash value life insurance policies owned by the bank on the lives of employees of the bank, wherein the cash-value life insurance policies designate the bank as owner and beneficiary;

maintaining assets which support the cash value of the life insurance policies in a separate account that is protected from general creditors of an issuer of the life insurance
10 policies;

wherein the assets in the separate account are used to purchase one or more bank-eligible securities that are qualified investments, which promote community development, as defined under the CRA; and

wherein the assets in the separate account grow on a tax-advantaged basis, and
15 specific qualified investments in the separate account are attributed to the bank to satisfy the investment test requirement of the bank under the CRA.

2. The method of claim 1, wherein the separate account includes only assets supporting the cash value of the life insurance policies provided to the bank.

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3. The method of claim 1, wherein the separate account includes assets supporting the cash value of life insurance policies provided to a second bank.

4. The method of claim 3, wherein the separate account only includes assets from life insurance policies issued by a common issuer.

5. The method of claim 3, wherein the separate account includes assets from life insurance policies issued by different issuers.

6. The method of claim 1, wherein the securities that are qualified investments under the CRA comprise mortgage-backed securities backed by loans made to low-to-moderate income borrowers.

7. The method of claim 1, wherein the securities that are qualified investments under the CRA comprise collateralized mortgage obligations backed by loans made to low-to-moderate income borrowers.

8. The method of claim 1, wherein the securities that are qualified investments under the CRA comprise mortgage-backed securities backed by loans made for affordable multi-family rental housing that is eligible for the low income housing tax credit.

9. The method of claim 1, wherein the securities that are qualified investments under the CRA comprise collateralized mortgage obligations (CMO) backed by loans made for affordable multi-family rental housing.

10. The method of claim 1, wherein the securities that are qualified investments under the CRA comprise state housing authority bonds.

11. A system for assisting a bank in meeting all or a portion of the bank's investment test requirement under the Community Reinvestment Act (CRA) on a tax-advantaged basis, comprising:

a computer with software that electronically purchases on behalf of a separate account, one or more bank-eligible securities that are qualified investments which promote community development, as defined under the CRA;

10 wherein assets in the separate account support the cash value of life insurance policies owned by the bank on the lives of employees of the bank, the cash-value life insurance policies designating the bank as owner and beneficiary;

wherein the separate account is protected from general creditors of an issuer of the life insurance policies; and

15 wherein the assets in the separate account grow on a tax-advantaged basis, and specific qualified investments purchased on behalf of the separate account are attributed to the bank to satisfy the investment test requirement of the bank under the CRA.